

July 21, 1998, the federal debt stood at \$5,535,209,449,941.52 (Five trillion, five hundred thirty-five billion, two hundred nine million, four hundred forty-nine thousand, nine hundred forty-one dollars and fifty-two cents).

One year ago, July 21, 1997, the federal debt stood at \$5,363,683,000,000 (Five trillion, three hundred sixty-three billion, six hundred eighty-three million).

Five years ago, July 21, 1993, the federal debt stood at \$4,336,609,000,000 (Four trillion, three hundred thirty-six billion, six hundred nine million).

Ten years ago, July 21, 1988, the federal debt stood at \$2,552,565,000,000 (Two trillion, five hundred fifty-two billion, five hundred sixty-five million).

Fifteen years ago, July 21, 1983, the federal debt stood at \$1,329,511,000,000 (One trillion, three hundred twenty-nine billion, five hundred eleven million) which reflects a debt increase of more than \$4 trillion—\$4,205,698,449,941.52 (Four trillion, two hundred five billion, six hundred ninety-eight million, four hundred forty-nine thousand, nine hundred forty-one dollars and fifty-two cents) during the past 15 years.

#### U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JULY 17TH

Mr. HELMS. Mr. President, the American Petroleum Institute has reported that for the week ending July 17 that the U.S. imported 8,750,000 barrels of oil each day, 605,000 barrels a day more than the 8,145,000 imported during the same week a year ago.

Americans relied on foreign oil for 58.1 percent of their needs last week. There are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States imported about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America's oil supply.

All Americans should ponder the economic calamity certain to occur in the U.S. if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.: now 8,750,000 barrels a day at a cost of approximately \$98,875,000 a day.

#### LOBBING ONE MORE GRENADE AT MICROSOFT

Mr. GORTON. Mr. President, tomorrow the Senate Judiciary Committee will hold yet another hearing designed solely to lob one more grenade at Microsoft. It is entitled "Competition and Innovation in the Digital Age: Beyond the Browser Wars."

Just as I have said of the Justice Department's case against Microsoft, the Judiciary Committee's efforts to paint Microsoft in a negative light seems to be merely an attempt to give software companies that cannot compete against Microsoft on their own merits an opportunity to catch up. It is this

practice, the practice of using the United States Senate and the Department of Justice as a means to help less successful companies compete against Microsoft, that is unfair—not Microsoft's business practices.

As all of my colleagues will remember, the Committee held a similar hearing only a few months ago. At that hearing in March, Microsoft's CEO, Bill Gates, patiently answered questions from committee members and witnesses representing his competitors for four hours. The questioning focused primarily on whether Microsoft has the right to integrate new and innovative products into its Windows operating system—specifically, Microsoft's Internet Explorer.

This is precisely that issue that a gaggle of lawyers over at the Justice Department's Antitrust Division and a dozen state attorneys general are currently litigating. The DOJ and state attorneys general allege that Microsoft, in including its browser software in Windows 98, is in violation of U.S. antitrust laws.

Only a few weeks after this case was filed, Microsoft won a major court victory in a related battle. On June 23, a three judge United States Circuit Court of Appeals panel overturned the preliminary injunction issued against Microsoft last December by U.S. District Court Judge Thomas Penfield Jackson. In my opinion, this ruling is so significant as to make the Department of Justice's current case against Microsoft even more questionable than it was at the time of filing.

The question before the panel was whether Microsoft violated antitrust law and a 1995 consent decree by integrating its web browser into Windows 95. The panel ruled that Microsoft's actions did not violate the consent decree and that Microsoft should indeed be allowed to integrate new and improved features into Windows. Such integration, the judges ruled, benefits consumers.

The judges went on to warn that the government is ill-suited to make technological determinations and that the dangers of doing so far outweigh the potential benefits that "antitrust scholars have long recognized the undesirability of having courts oversee product design, and any dampening of technological innovation would be at cross-purpose with antitrust law."

The Judiciary Committee's hearing will apparently focus on issues other than the integration of browser software into Windows 98. The witnesses will instead give testimony, among other subjects, alleging that Microsoft competes unfairly in the server operating system market—a market in which Microsoft is one of many competitors and in which no one company is dominant. No monopoly here—what's the beef?

The network server market includes competitors such as IBM, Sun Microsystems, Novell, Microsoft and several others. Many of these companies have

chosen strategic business models in which they sell their customers not only the software that runs network servers, but sometimes the servers themselves, the applications that run on the servers, and even the workstations that sit on employees' desks. In such models, every piece of hardware and software is designed to work together, and as long as customers use only that one company's products, everything works fine.

Sales volumes in the network server market are fairly low but profit margins are high. Once a customer decides to buy a one-company network, he tends to stick with that system because the cost of switching to something else is quite high. Thus, this business model is a good one that can make, and has made, some companies very successful.

Microsoft has chosen a different business model for the network server market. Its model is not unfair, illegal, or anti-competitive. It is merely a different way of doing business. Microsoft doesn't make hardware or enterprise applications that run on servers. It does not make the workstation computers that sit on employees' desks. Microsoft makes network operating system called Windows NT. For a customer to use Windows NT on its server, it does not need to buy anything else from Microsoft. NT is designed to work with *any* manufacturer's hardware and support *any* company's software. It is a high volume, low profit margin model.

It is certainly not difficult to understand why companies like Novell, Sun, and IBM might be concerned about competition in the server market. After all, they have been in this market for a long time and have done very well in it. Because the margins on their sales are high, lost sales are more damaging to them than they are to their competitors whose margins on each sale are much lower. But if Sun, IBM, and Novell continue to respond to the needs of their customers, they will continue to do well in the server market.

Just as the appeals panel ruled last month on the browser issue, the decision on whether the business model chosen by Sun, IBM, and Novell or that chosen by Microsoft is a decision best made by the free market and the free market alone. The Department of Justice and the Senate Judiciary Committee have no legitimate role to play in this determination.

Let me make it clear, Mr. President, that throughout this attack, Microsoft has gone out of its way to cooperate both with the Committee and with the Justice Department. Even while its reputation is being tarnished by these two organizations, Microsoft has provided them both with everything it has been asked to provide and more.

So, I admonish my friend and colleague Senator HATCH to reciprocate. Given the list of witnesses scheduled to testify, however, I am afraid that the deck is already stacked against Microsoft. That is precisely why I advised

Bill Gates to decline an invitation from the Committee to appear at the hearing. Once is enough, Mr. President. The Committee can drag Mr. Gates and his company through the mud if it so choose, but Mr. Gates does not have to be there to validate a travesty.

#### DENVER-LONDON DIRECT FLIGHT HOLDUP

Mr. ALLARD. Mr. President, I am here today to tell my colleagues about an issue of great importance to the people of my state of Colorado. This summer, the state of Colorado has lost an estimated \$23 million, at least, due to the problem I am here to address. We have been assured again and again by the Administration that the situation would soon be resolved. I no longer have faith in that assurance, and I believe that I am going to have to make my point stronger and louder in order to secure fair treatment for the State of Colorado. I am disappointed that the problem has lingered for this long, and that my attempts to cooperate with the Department of Transportation have been met with apathy and diluted efforts.

This is a problem that I have been working on for months, and I am continually and increasingly frustrated by the lack of concern shown by the Administration. I was first made aware in April of this year that an application for international service into Denver International Airport was near approval. A foreign airline filed an application with the Department of Transportation to provide direct service between Denver and London. This flight was to be the first overseas flight at Denver's young international airport. British Airways wants to provide this service, and to date is the only airline that has applied to do so. Of course the prospect of a direct flight to Europe is exciting for the people of Colorado; our booming economy, growing business sector, and tourism industry are primed for this direct international service.

The application process under the bilateral Air Transport Services agreement between the United States and the United Kingdom is designed to be a routine step. By law, final review by the United States of the British Airways flight is intended only to assure compliance with technical requirements for air safety and ownership.

At some point in the review process, the Department decided to hold the British Airways flight hostage to influence an unrelated situation. An American airline had approval to provide service between Charlotte, North Carolina and London, but being a new entrant into the market, choice slots were not available for their service. That airline, US Airways, and the Department of Transportation demanded that British Airways relinquish its established slots into London's Gatwick Airport before the Denver-London service would be approved.

The Senior Senator from Colorado, Senator CAMPBELL, and I met with Secretary Slater. We offered our assistance and shared our concerns, and the Secretary assured us that the situation would be resolved soon. Subsequently, US Airways participated in an international slot conference, and legitimately negotiated more desirable slots at Gatwick. The original conditions for approval of Denver-London service were met. Still, the Department refused to approve the British Airways application.

My patience in this matter has not been respected. Frankly, the expanding complaints of US Airways have absolutely no connection to the pending Denver-London service, and Department is inappropriately using the people of Colorado. I do not approve of the Department leveraging the concerns of one state against another, or using our international flights as a bargaining chip in an unrelated matter.

This is the first time the Department has withheld final approval on a US/UK flight to influence the status of another flight. The precedent being set indicates bureaucratic abuse and blatant disregard for a fair resolution of Colorado's problem. The Department should focus on the international flights between London and Charlotte; there is no need to push Coloradans around while the Administration and US Airways are engaged in an unrelated fight.

It is reasonable to think that this service would easily win support from the Transportation Secretary. British Airways has a clear right to operate this service under the term of the UK/US Air Services Agreement. In addition, Secretary Slater is attempting to negotiate an open skies aviation agreement with Britain. In light of this fact alone, failure to approve the Denver-London route is ridiculous. After this episode with the Denver flight, does the Administration really believe that the British authorities will have faith in the ability of the United States to be forthright in international flight negotiations?

The issue of approving Denver-London service was postponed recently when the Secretary and several of his top staffers traveled to Africa. Patiently awaiting his return, I came across a story on the AP wire about the Secretary's activities in Africa. I was stunned to see the story that began, and I quote, "Transportation Secretary Rodney Slater Friday called on European authorities to respect aviation agreements negotiated by the United States with individual countries." It is ironic that the Secretary lectured Europe on fulfilling its obligations under air service pacts when he will not honor the current US/UK pact and approve Denver-London service. How the Secretary could make these comments while keeping a straight face is beyond me.

Speaking of that trip, I would like to know why the Secretary has been able

to find so little time to deal with this pressing issue. When I last spoke to Mr. Slater on the phone, he told me that he was working to resolve the issue in the next few days. I expected his call at the end of that week and hoped to learn that they had approved service. It was the week before our July recess, and the call never came. After waiting for another week and investigating the delay, I learned that the Secretary was traveling to Africa for the second time this year, and that Colorado's problems would have to wait until July 15. While he simply set the issue aside, I could not. Unfortunately, neither myself nor my staff could reach the Secretary or his top aides on this issue because they were all traveling and unavailable. I am concerned that the Secretary and Assistant Secretaries have so much time for traveling and so little time for important issues here at home. I am outraged to know that my constituents' tax dollars, and mine as well, are buying flights to Africa while the state is losing money because of the Department's inaction. There is absolutely no reason that the Secretary could not have approved Denver-London service before he and his staff left for Africa. Now, after being assured that this would be his top priority upon returning from his trip, I am astounded that Mr. Slater is not prepared to be straightforward and make this decision.

Several Colorado officials have told Secretary Slater, in no uncertain terms, that this is an important issue to Colorado. I watched the original start date for British Airways service move from June First to August First, and saw it again postponed to September First. The Secretary knew very well that the service had to be approved by the end of last week for the airline to be prepared to begin on that date. Failure to approve the flight has resulted in moving the start date to October first. Colorado has already lost four months of direct Denver-London service, and the reasons that the Department has provided for this delay are inadequate. I am through standing by while the Department is delinquent on its approval of Denver-London direct air service. I am prepared to consider using any means available to me to hasten a decision by the Department.

#### MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

#### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)